

OLC 78-0347/9

26 OCT 1978

MEMORANDUM FOR : Director of Central Intelligence

VIA : John F. Blake  
Acting Deputy Director of Central Intelligence

FROM :  STAT  
Acting Legislative Counsel

SUBJECT : House Permanent Select Committee  
on Intelligence Annual Report

1. (U) Action requested: None, for your information only.

2. (U) Background: As you are aware the HPSCI has the obligation of producing one annual unclassified report to the rest of Congress on its activities during the preceding year. While this report would normally be produced in December, the Committee opted to produce this, its first annual report, prior to the close of session.

A copy of the annual report is attached and I recommend the first twenty-four pages of it to you for reading. The remaining forty-eight pages consist of a glossary of terms used within the Intelligence Community.

While there is nothing startling or really new within the report, it does call to the reader's attention several areas of concern to the Committee, such as: the need to improve estimating, forecasting and trend analysis reporting; the need to more efficiently identify gaps in and take steps to satisfy requirements for collection or analysis; the need to assess what sort of charter legislation the Committee should recommend to the full House; the degree to which the DCI's authority over the budget of national programs may be inadequate for him to provide central control and guard against unnecessary duplication; and the degree to which existing Executive Branch guidelines may or may not be too restrictive.

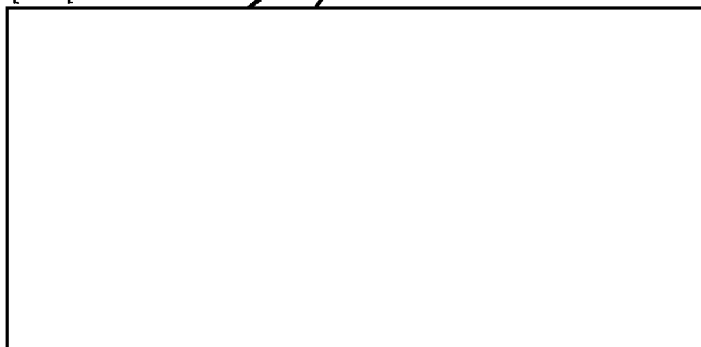
The report touches on the method of dealing with Covert Action programs, the need for secrecy legislation, the present poor climate for the creation of a joint oversight committee, and the decision not to disclose the intelligence budget in the authorization process. The Committee also noted that "not enough is being done in the management of the human source intelligence collection programs to determine their cost effectiveness compared to technical collection systems."

The Committee also noted that the CIA has more supergrade positions than all of the other intelligence agencies put together and expressed concern about this "drastic imbalance."

One last quote from the report: "In sum, the Executive Branch is much better organized at present than ever before to conduct its own oversight over intelligence and intelligence-related activities. The Congress however, must continue to bear a considerable burden in this area."

As you will note, the report was hastily put together and there are some inaccuracies in it, but none that are particularly troublesome to us or the rest of the Community. I also want to note that the publication was not shown to us in draft, nor were we consulted during its preparation.

Attachment



STAT



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Approved For Release 2004/03/25 : CIA-RDP81M00930R003000090020-8

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Acting Legislative Counsel

EXTENSION

6121

NO.

ER 78-3383

DATE

26 OCT 1978

TO: (Officer designation, room number, and building)

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Acting DDCI

10/21/78 OCT 1978 JB/pm

Attached is a memorandum for your information which is forwarding HPSCI's first annual report.

2.

3. DCI

Rec'd 27 October 1978

This memorandum was not coordinated with any other office and was prepared by

STAT

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FORM 3-62

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Union Calendar No. 942

95TH CONGRESS }  
2d Session }

HOUSE OF REPRESENTATIVES

{ REPORT  
No. 95-1795

ANNUAL REPORT  
PURSUANT TO SECTION 3 OF HOUSE RESOLUTION 658,  
95TH CONGRESS, 1ST SESSION

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REPORT  
BY THE  
PERMANENT SELECT COMMITTEE  
ON INTELLIGENCE



OCTOBER 14, 1978.—Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed

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